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Edward E. Neiger, Esq.

Proposed Counsel to the Debtors

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

-----X
In re:

Chapter 11

SHOLOM EISNER and PESSI EISNER,

Case No. 11-46862 (JBR)

Debtors.

-----X

NOTICE OF FILING OF APPRAISAL

In connection with the *Debtors' Objection to Motion for Relief from an Automatic Stay Pursuant to 11 U.S.C. § 362(d), to Dismiss the Chapter 11 Bankruptcy Petition and/or Convert the Petition to a Chapter 7 Petition Pursuant to 11 U.S.C. § 1112(b)(1)* (Docket No. 20), Sholom Eisner and Pessi Eisner (the "Debtors"), by and through their proposed counsel, hereby file an appraisal of that certain real property located at 1427 58th Street, Brooklyn, New York 11219. This evidences significant equity in the property, as the only legitimate liens are held by Erno Goldberger, a/k/a Abe, Anchel and Abraham Goldberger, and Malka Goldberger, a/k/a Magda Goldberger (which amount is currently in dispute) and TD Bank, N.A. in the amount of \$250,000. The alleged lien held by Israel Lowen will be avoided pursuant to the provisions of the Bankruptcy Code, as the Debtors have never borrowed money from Israel Lowen.

Dated: August 24, 2011
New York, New York

Edward E. Neiger_____

Neiger LLP

By: Edward E. Neiger, Esq.
317 Madison Avenue, 21st Floor
New York, New York 10017

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Proposed Counsel to the Debtors

APPRAISAL OF



LOCATED AT:

**1427 58TH STREET
BROOKLYN, NY 11219**

FOR:

**N/A
N/A
O'FALLON, MO 63368-2240**

BORROWER:

SHOLOM EISNER

AS OF:

August 23, 2011

BY:

NAFTALI HOROWITZ

JVI

N/A

N/A

O'FALLON, MO 63368-2240

File Number: **1427 58TH STREET**

In accordance with your request, I have appraised the real property at:

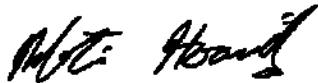
**1427 58TH STREET
BROOKLYN, NY 11219**

The purpose of this appraisal is to develop an opinion of the market value of the subject property, as improved. The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the market value of the property as of **August 23, 2011** is:

**\$2,450,000
Two Million Four Hundred Fifty Thousand Dollars**

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.



NAFTALI HOROWITZ

Exterior-Only Inspection Residential Appraisal Report

File No. 1427 58TH STREET

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

SUBJECT

Property Address **1427 58TH STREET**City **BROOKLYN**State **NY**Zip Code **11219**

Borrower **SHOLOM EISNER**Owner of Public Record **SHOLOM EISNER**County **KINGS**

Legal Description **SEC: 17 BLOCK: 5699 LOT: 62**

Assessor's Parcel # **0017-5699-0062**Tax Year **11-12**R.E. Taxes \$ **15,608.00**

Neighborhood Name **BOROUGH PARK**Map Reference **HAG: 5-W-24**Census Tract **0240.00**

Occupant ☒ Owner ☐ Tenant ☐ VacantSpecial Assessments \$ **0.00**☐ PUDHOA \$ **0.00**☐ per year☐ per month

Property Rights Appraised ☒ Fee Simple☐ Leasehold☐ Other (describe)

Assignment Type☐ Purchase Transaction☐ Refinance Transaction☒ Other (describe)

Lender/Client **N/A**Address **N/A**

Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal?☐ Yes☒ No

Report data source(s) used, offering price(s), and date(s). **AS PER MLS, NO RECENT PUBLIC LISTING FOUND ON SUBJECT.**

CONTRACT

I ☐ did ☐ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.
N/A

Contract Price \$ **N/A**Date of Contract **N/A**Is the property seller the owner of public record?☐ Yes☐ NoData Source(s) **N/A**

Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower?☐ Yes☐ No

If Yes, report the total dollar amount and describe the items to be paid. **0**

NEIGHBORHOOD

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics			One-Unit Housing Trends			One-Unit Housing		Present Land Use %	
Location	<input checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	AGE	One-Unit	40% %
Built-Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000)	(yrs)	2-4 Unit	40% %
Growth	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	1200 Low	1	Multi-Family	10% %
Neighborhood Boundaries FOURTY FOURTH STREET TO THE NORTH, EIGHTEENTH AVENUE TO THE EAST, SIXTY FIFTH STREET TO THE SOUTH AND FORT HAMILTON PKWY TO THE WEST.						3400 High	100	Commercial	10% %
Neighborhood Description SEE ATTACHED ADDENDUM						2450 Pred.	60	Other	%

Market Conditions (including support for the above conclusions) **DEMAND & SUPPLY FOR RESIDENTIAL PROPERTY IS IN BALANCE AND STABLE WITHIN THE MARKET AREA. REASONABLY LISTED PROPERTIES GENERALLY SELL BETWEEN 3 TO 6 MONTHS. PROPERTY VALUES HAVE BEEN STABILIZING WITHIN THE PAST FEW MONTHS.**

SITE

Dimensions **40*100.17**Area **4007 SQ.FT.**Shape **REGULAR**View **AVERAGE**

Specific Zoning Classification **R5**Zoning Description **RESIDENTIAL**

Zoning Compliance ☒ Legal☐ Legal Nonconforming (Grandfathered Use)☐ No Zoning☐ Illegal (describe)

Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use?☒ Yes☐ NoIf No, describe.

Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input checked="" type="checkbox"/>	Street	MACADAM	<input checked="" type="checkbox"/> <input type="checkbox"/>
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input checked="" type="checkbox"/>	Alley	NONE/TYPICAL	<input type="checkbox"/> <input type="checkbox"/>

FEMA Special Flood Hazard Area ☐ Yes☒ NoFEMA Flood Zone **X**FEMA Map # **3604970213F**FEMA Map Date **09/05/2007**

Are the utilities and off-site improvements typical for the market area?☒ Yes☐ NoIf No, describe.

Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?☐ Yes☒ NoIf Yes, describe. **NO**

APPARENT ADVERSE EASEMENT, ENCROACHMENTS, OR OTHER SUCH FACTORS WERE OBSERVED BY OR DISCLOSED TO THE APPRAISER. CURRENT USE APPEARS TO BE LEGAL AND CONFORMING. ENVIRONMENTAL CONDITIONS: AS OF THE DAY OF THE INSPECTION NONE NOTED.

IMPROVEMENTS

Source(s) Used for Physical Characteristics of Property☐ Appraisal Files☐ MLS☒ Assessment and Tax Records☒ Prior Inspection☐ Property Owner

☐ Other (describe)

Data Source(s) for Gross Living Area **COMPS INC.**

GENERAL DESCRIPTION	GENERAL DESCRIPTION	Heating / Cooling	Amenities	Car Storage
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	<input type="checkbox"/> FWA <input checked="" type="checkbox"/> HWBB	<input type="checkbox"/> Fireplace(s) #	<input type="checkbox"/> None
# of Stories 3	<input checked="" type="checkbox"/> Full Basement <input checked="" type="checkbox"/> Finished	<input type="checkbox"/> Radiant	<input type="checkbox"/> WoodStove(s) #	<input checked="" type="checkbox"/> Driveway# of Cars 1
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	<input type="checkbox"/> Partial Basement <input type="checkbox"/> Finished	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Patio/Deck	Driveway Surface CONCRETE
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Exterior Walls BRICK/GD	Fuel GAS	<input type="checkbox"/> Porch	<input type="checkbox"/> Garage# of Cars
Design (Style) DETACHED	Roof Surface ASHPH.SH./GD	<input checked="" type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Pool	<input type="checkbox"/> Carport# of Cars
Year Built 1997	Gutters & Downspouts ALM/GD	<input type="checkbox"/> Individual	<input type="checkbox"/> Fence	<input type="checkbox"/> Attached <input type="checkbox"/> Detached
Effective Age (Yrs) 10	Window Type ALUM/GD	<input type="checkbox"/> Other	<input type="checkbox"/> Other	<input type="checkbox"/> Built-in
Appliances <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)				
Finished area above grade contains: 9 Rooms 5 Bedrooms 2 Bath(s) 8,100 Square Feet of Gross Living Area Above Grade				
Additional features (special energy efficient items, etc.) STANDARD				
Describe the condition of the property and data source(s) (including apparent needed repairs, deterioration, renovations, remodeling, etc.). THE SUBJECT APPEARS IN GOOD CONDITION AND ADEQUATELY MAINTAINED. NO REPAIRS WERE NOTED. THE CONDITION OF THE SUBJECT IS CONSISTENT WITH COMPETING PROPERTIES IN THE SUBJECT NEIGHBORHOOD.				
Are there any apparent physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> NoIf Yes, describe. NO ADVERSE CONDITIONS WERE NOTED. THE APPRAISER IS NOT FULLY QUALIFIED TO RENDER A DECISION ON THE SUBJECTS STRUCTURAL INTEGRITY.				
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> NoIf No, describe.				

Exterior-Only Inspection Residential Appraisal Report

File No. 1427 58TH STREET

SALES COMPARISON APPROACH

RECONCILIATION

There are 1 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 1,500,000 to \$ 3,200,000 .

There are 2 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 1,500,000 to \$ 3,200,000 .

FEATURE	SUBJECT	COMPARABLE SALE NO. 1			COMPARABLE SALE NO. 2			COMPARABLE SALE NO. 3			
1427 58TH STREET		1649 49TH STREET			4620 12TH AVENUE			1556 56TH STREET			
Address	BROOKLYN	BROOKLYN			BROOKLYN			BROOKLYN			
Proximity to Subject		0.55 miles ENE			0.65 miles N			0.20 miles ESE			
Sale Price	\$ N/A		\$	2,100,000		\$	3,100,000		\$	2,450,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$	440.25	sq. ft.		\$	989.78	sq. ft.	\$	295.18	sq. ft.
Data Source(s)	INSPECTION	COMPS INC.			COMPS INC.			COMPS INC.			
Verification Source(s)		PUB REC/PARCEL#5448-70			PUB REC/PARCEL#5621-48			PUB REC/PARCEL#5491-29			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION		+(-) \$ Adjustment	DESCRIPTION		+(-) \$ Adjustment	DESCRIPTION		+(-) \$ Adjustment	
Sale or Financing Concessions	0	CONVENTIONAL			CONVENTIONAL			CONVENTIONAL			
Date of Sale/Time	N/A	09/14/2008			11/19/2008			01/25/2010			
Location	AVERAGE	AVERAGE			AVERAGE			AVERAGE			
Leasehold/Fee Simple	FEE SIMPLE	FEE SIMPLE			FEE SIMPLE			FEE SIMPLE			
Site	4007 SQ.FT.	4000 SQ.FT.			6000 SQ.FT.		-3,986	4000 SQ.FT.			
View	AVERAGE	AVERAGE			AVERAGE			AVERAGE			
Design (Style)	DETACHED	DETACHED			DETACHED			SEMI-ATTACH		5,000	
Quality of Construction	BRICK	BRICK			BRICK			BRICK			
Actual Age	1997	1901			1910			1985			
Condition	GOOD	GOOD			GOOD			GOOD			
Above Grade	Total Bdrms Baths	Total Bdrms Baths			Total Bdrms Baths			Total Bdrms Baths			
Room Count	9 5 2	9 5 2			9 5 2			9 5 2			
Gross Living Area	20 8,100 sq. ft.	4,770 sq. ft.		66,600	3,132 sq. ft.		99,400	8,300 sq. ft.		-4,000	
Basement & Finished Rooms Below Grade	FULL FINISHED	FULL FINISHED			FULL FINISHED			FULL FINISHED			
Functional Utility	AVERAGE	AVERAGE			AVERAGE			AVERAGE			
Heating/Cooling	HWBB C/Air	ADEQUATE			ADEQUATE			ADEQUATE			
Energy Efficient Items	TYPICAL	TYPICAL			TYPICAL			TYPICAL			
Garage/Carport	DRIVEWAY	DRIVEWAY			DRIVEWAY			DRIVEWAY			
Porch/Patio/Deck	PATIO/DECK	SIMILAR			SIMILAR			SIMILAR			
		UNKNOWN DOM			UNKNOWN DOM			UNKNOWN DOM			
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$	66,600	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$	95,414	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$	1,000	
Adjusted Sale Price of Comparables		Net Adj. 3.2% %			Net Adj. 3.1% %			Net Adj. 0.0% %			
		Gross Adj. 3.2% %	\$	2,166,600	Gross Adj. 3.3% %	\$	3,195,414	Gross Adj. 0.4% %	\$	2,451,000	

I ☒ did ☐ did not research the sale or transfer history of the subject property and comparable sales. If not, explain

My research ☐ did ☒ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) COMPS INC.

My research ☐ did ☒ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) COMPS INC.

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	NONE	NONE	NONE	NONE
Price of Prior Sale/Transfer	NONE	NONE	NONE	NONE
Data Source(s)	COMPS INC.	COMPS INC.	COMPS INC.	COMPS INC.
Effective Date of Data Source(s)	08/23/2011	08/23/2011	08/23/2011	08/23/2011

Analysis of prior sale or transfer history of the subject property and comparable sales AS PER COMPS INC., THE SUBJECT PROPERTY HAS NO SALES CONVEYED WITHIN THE PAST THREE YEARS. COMPARABLE SALES HAVE NOT SOLD WITHIN THE PAST YEAR.

Summary of Sales Comparison Approach. SEE ATTACHED ADDENDUM

Indicated Value by Sales Comparison Approach \$ 2,450,000

Indicated Value by: Sales Comparison Approach \$2,450,000 Cost Approach (if developed) \$ 2,477,500 Income Approach (if developed) \$

FULL CONSIDERTION AND EMPHASIS WAS GIVEN TO THE SALES COMPARISON APPROACH TO VALUE. THE COST APPROACH IS SUPPORTIVE OF THE SALES COMPARISON APPROACH.

This appraisal is made ☒ "as is," ☐ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, ☐ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or ☐ subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: SEE ATTACHED ADDENDUM

Based on a visual inspection of the exterior areas of the subject property from at least the street, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ 2,450,000 as of 08/23/2011 , which is the date of inspection and the effective date of this appraisal.

Exterior-Only Inspection Residential Appraisal Report

File No. **1427 58TH STREET**

ADDITIONAL COMMENTS

[illegible]

Exterior-Only Inspection Residential Appraisal ReportFile No. **1427 58TH STREET**

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a visual inspection of the exterior areas of the subject property from at least the street, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

The appraiser must be able to obtain adequate information about the physical characteristics (including, but not limited to, condition, room count, gross living area, etc.) of the subject property from the exterior-only inspection and reliable public and/or private sources to perform this appraisal. The appraiser should use the same type of data sources that he or she uses for comparable sales such as, but not limited to, multiple listing services, tax and assessment records, prior inspections, appraisal files, information provided by the property owner, etc.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
3. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
4. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
5. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

Exterior-Only Inspection Residential Appraisal ReportFile No. **1427 58TH STREET****APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a visual inspection of the exterior areas of the subject property from at least the street. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

Exterior-Only Inspection Residential Appraisal ReportFile No. **1427 58TH STREET**

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature

Name **NAFTALI HOROWITZ**Company Name **NH APPRAISAL INC**Company Address **1236 48TH STREET****BROOKLYN, NY 11219**Telephone Number **718-972-1146**Email Address **NAFTALI@NHAPPRAISAL.COM**Date of Signature and Report **08/23/2011**Effective Date of Appraisal **08/23/2011**

State Certification # _____

or State License # **47000046021**

or Other (describe) _____ State # _____

State **NY**Expiration Date of Certification or License **11/27/2011****ADDRESS OF PROPERTY APPRAISED****1427 58TH STREET****BROOKLYN, NY 11219****APPRAISED VALUE OF SUBJECT PROPERTY \$ 2,450,000****LENDER/CLIENT**

Name _____

Company Name **N/A**Company Address **N/A**

Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____

Name _____

Company Name _____

Company Address _____

Telephone Number _____

Email Address _____

Date of Signature _____

State Certification # _____

or State License # _____

State _____

Expiration Date of Certification or License _____

SUBJECT PROPERTY☐ Did not inspect exterior subject property☐ Did inspect exterior of subject property from street

Date of Inspection _____

COMPARABLE SALES☐ Did not inspect exterior of comparable sales from street☐ Did inspect exterior of comparable sales from street

Date of Inspection _____

Exterior-Only Inspection Residential Appraisal Report

File No. **1427 58TH STREET**

[illegible]

Borrower: SHOLOM EISNER		File No.: 1427 58TH STREET	
Property Address: 1427 58TH STREET		Case No.:	
City: BROOKLYN		State: NY	Zip: 11219
Lender: N/A			

APPRaiser NOTES; NO AGE ADJUSTMENTS WERE WARRANTED SINCE COMPARABLE SALES ARE SIMILAR IN TERMS OF CONDITION.

SUBJECT'S PROPERTY WAS BUILT IN 1997 AND IS ADEQUATELY MAINTAINED. THEREFORE, EFFECTIVE AGE OF SUBJECT PROPERTY IS 10 YEARS.

"MY COMPARABLE SEARCH AND RESULTS"

SUBJECT PROPERTY IS A MULTI FAMILY DWELLING AND CONSISTS OF 8,100 SQ.FT. IN GLA, THE RANGE FOR SIMILAR SINGLE FAMILY SALES IN THE AREA IS \$1,300,000 - \$3,200,000 DEPENDING ON OVERALL CONDITION AND SIZE OF THE UNIT.

APPRaiser HAS SEARCHED COMPARABLES WHICH ARE SIMILAR TO THE SUBJECT IN TERMS OF DESIGN AND GLA.

Neighborhood Description

THE SUBJECT IS LOCATED WITHIN THE BOROUGH PARK SECTION OF BROOKLYN, KINGS COUNTY, NEW YORK. BOROUGH PARK IS LOCATED WITHIN CONVENIENT ACCESS TO ALL NECESSARY LIVING ESSENTIALS INCLUDING EMPLOYMENT, SHOPPING AND SCHOOLS. THERE ARE NO KNOWN ADVERSE MARKET FACTORS AFFECTING THE LOCALE. AS WITH MOST NEW YORK CITY NEIGHBORHOODS, THE SUBJECT LOCALE CONSISTS OF A MIX OF RESIDENTIAL AND COMMERCIAL PROPERTIES WITHIN CLOSE PROXIMITY TO EACH OTHER WITH NO ADVERSE MARKET EFFECTS NOTED.

Comments on Sales Comparison

THE COMPARABLE SALES UTILIZED PROVIDE A GOOD INDICATION OF THE SUBJECT'S CURRENT MARKET VALUE. PURSUANT TO FANNIE MAE RECOMMENDED GUIDELINES, ALL OF THE COMPARABLE SALES ARE LOCATED WITHIN ONE MILE OF THE SUBJECT. ADJUSTMENTS HAVE BEEN MADE WHERE APPROPRIATE AND CONFORM WITH FANNIE MAE GUIDELINES OF NO MORE THAN 10%, 15% AND 25% FOR LINE, NET AND GROSS ADJUSTMENTS, RESPECTIVELY. MARKET VALUE FOR THE SUBJECT IS SUPPORTED BOTH BEFORE AND AFTER ADJUSTMENTS.

A \$2 PER SQ.FT. SITE ADJUSTED WAS APPLIED TO COMPARABLE S SALES TO REFLECT DIFFERENCES FROM SUBJECT'S LOT SIZE.

SUBJECT CONSISTS OF A GLA OF 8,100 SQ.FT.

WHEN RECONCILING, THE APPRAISER HAS APPLIED MOST WEIGHT TO COMPARABLE SALE #3 SINCE IT IS THE LEAST GROSS ADJUSTED COMPARABLE WHICH IS A GOOD INDICATOR TO SUBJECTS MARKETABILITY.

Conditions of Appraisal

THE INTENDED USER OF THIS APPRAISAL REPORT IS THE LENDER/CLIENT. THE INTENDED USE IS TO EVALUATE THE PROPERTY THAT IS THE SUBJECT OF THIS APPRAISAL FOR A MORTGAGE FINANCE TRANSACTION, SUBJECT TO THE STATED SCOPE OF WORK, PURPOSE OF THE APPRAISAL, REPORTING REQUIREMENTS OF THIS APPRAISAL REPORT FORM, AND DEFINITION OF MARKET VALUE. NO ADDITIONAL INTENDED USERS ARE IDENTIFIED BY THE APPRAISER.

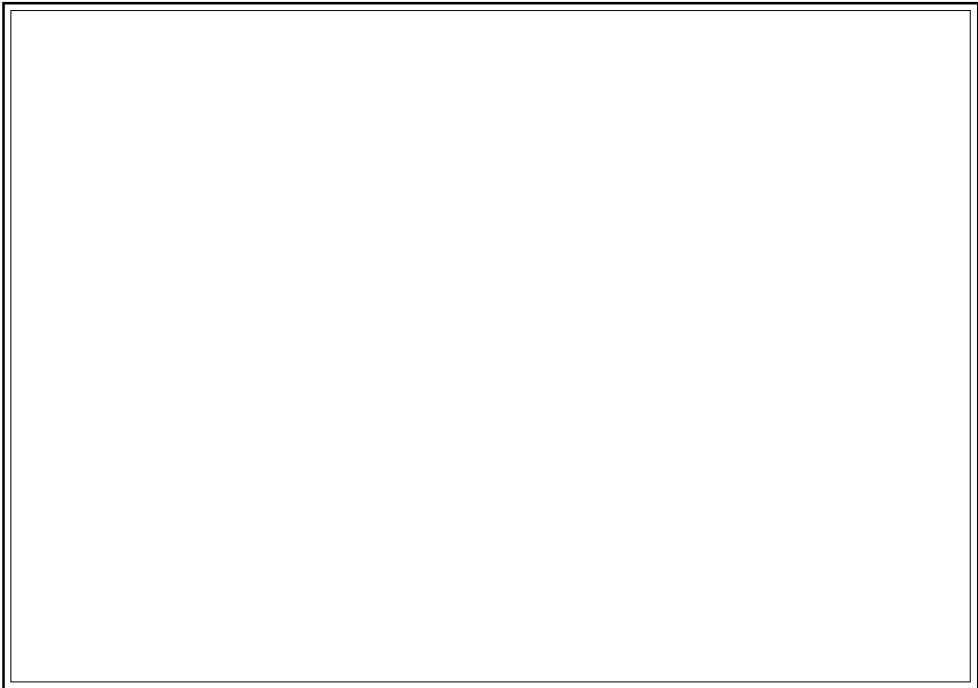
Comments on Sales Comparison

Borrower: SHOLOM EISNER		File No.: 1427 58TH STREET
Property Address: 1427 58TH STREET		Case No.:
City: BROOKLYN	State: NY	Zip: 11219
Lender: N/A		



**FRONT VIEW OF
SUBJECT PROPERTY**

Appraised Date: **August 23, 2011**
Appraised Value: **\$ 2,450,000**



**REAR VIEW OF
SUBJECT PROPERTY**



STREET SCENE

Borrower: SHOLOM EISNER		File No.: 1427 58TH STREET
Property Address: 1427 58TH STREET		Case No.:
City: BROOKLYN	State: NY	Zip: 11219
Lender: N/A		



COMPARABLE SALE #1

1649 49TH STREET
BROOKLYN
Sale Date: **09/14/2008**
Sale Price: \$ **2,100,000**



COMPARABLE SALE #2

4620 12TH AVENUE
BROOKLYN
Sale Date: **11/19/2008**
Sale Price: \$ **3,100,000**



COMPARABLE SALE #3

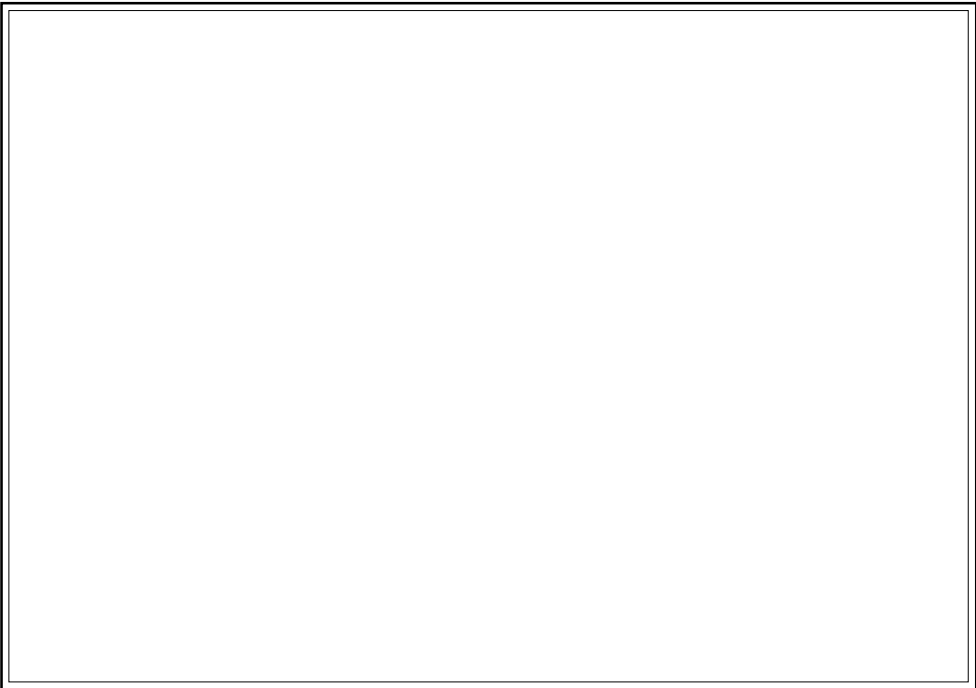
1556 56TH STREET
BROOKLYN
Sale Date: **01/25/2010**
Sale Price: \$ **2,450,000**

Borrower: SHOLOM EISNER		File No.: 1427 58TH STREET
Property Address: 1427 58TH STREET		Case No.:
City: BROOKLYN	State: NY	Zip: 11219
Lender: N/A		



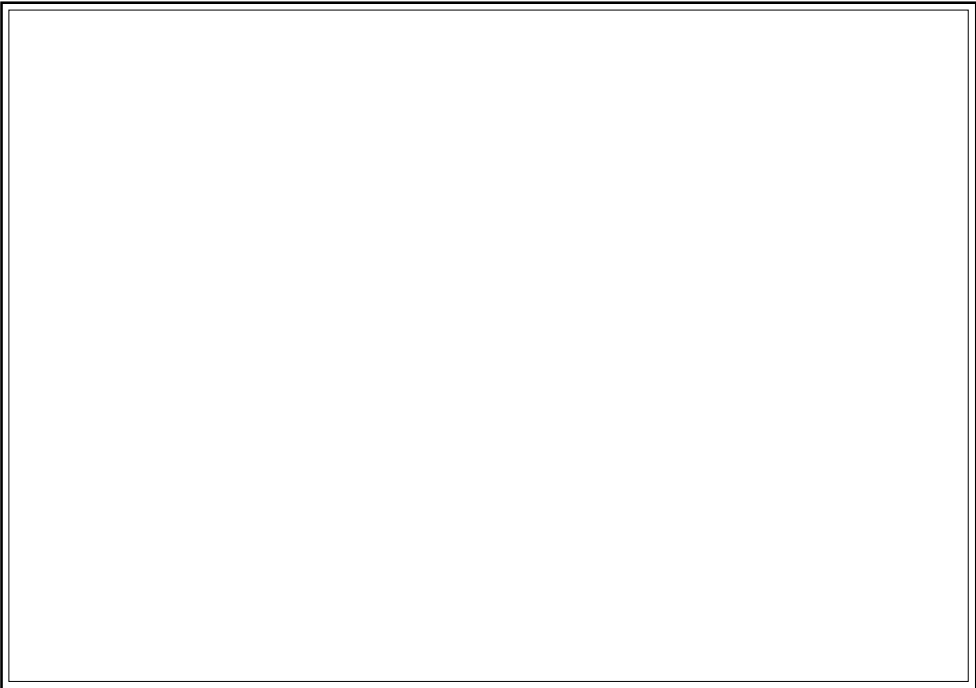
COMPARABLE SALE #4

1206 59TH STREET
BROOKLYN
Sale Date: **11/12/2008**
Sale Price: **\$ 1,600,000**



COMPARABLE SALE #5

Sale Date:
Sale Price: \$



COMPARABLE SALE #6

Sale Date:
Sale Price: \$


LOCATION MAP

Borrower: **SHOLOM EISNER**File No.: **1427 58TH STREET**Property Address: **1427 58TH STREET**

Case No.:

City: **BROOKLYN**State: **NY**Zip: **11219**Lender: **N/A**

Borrower: SHOLOM EISNER		File No.: 1427 58TH STREET
Property Address: 1427 58TH STREET		Case No.:
City: BROOKLYN	State: NY	Zip: 11219
Lender: N/A		

UNIQUE ID NUMBER 47000046021	<i>State of New York</i> <i>Department of State</i> DIVISION OF LICENSING SERVICES	FOR OFFICE USE ONLY Control No. 50897
PURSUANT TO THE PROVISIONS OF ARTICLE 6E OF THE EXECUTIVE LAW AS IT RELATES TO R. E. APPRAISERS.		EFFECTIVE DATE MO. DAY YR. 11 28 09
HOROWITZ NAFTALI C/O NH APPRAISAL ASSOCIATES IN 1240 48TH ST BROOKLYN, NY 11219		EXPIRATION DATE MO. DAY YR. 11 27 11
		
HAS BEEN DULY LICENSED TO TRANSACT BUSINESS AS A R. E. APPRAISER		
In Witness Whereof, The Department of State has caused its official seal to be hereunto affixed. LORRAINE A. CORTES-VAZQUEZ SECRETARY OF STATE		
DOS-1098 (Rev. 3/01)		

Borrower: SHOLOM EISNER	File No.: 1427 58TH STREET
Property Address: 1427 58TH STREET	Case No.:
City: BROOKLYN	State: NY Zip: 11219
Lender: N/A	

10REALPC-00001

Five Star Appraisers E&O Program

303 W. Madison , Suite 700 Chicago, IL 60606
Tel: 866-879-6565 Fax: 866-720-5003

PROOF OF COVERAGE

1. Name and Address of Insured: Binding Authority: B0595B0595EL04219
Naftali Horowitz
NH APPRAISAL INC
1236 48th Street
Brooklyn NY 11219
2. Insurer: **Underwriters at Lloyd's**
Rating: *AM Best: A (Excellent)* *S&P: A+(Good)*
3. Coverage: **Errors and Omissions**
4. Policy Number: **10REALPC-00001**
5. Limits of Liability: Each Claim, including Claims Expenses
Annual Aggregate, including Claims Expenses

\$1,000,000
\$1,000,000
6. Deductible: Each Claim, including Claims Expenses

\$500
7. Annual Policy Premium:

\$	\$390.00	Gross Premium
\$	\$50.00	Processing Fee
\$	\$14.04	Surplus Lines Tax NY
\$	\$.78	Stamping Fee NY
\$	\$454.82	Total Premium
8. Policy Period 11/20/2010 to 11/20/2011
12:01 a.m. standard time at the location stated above.
9. Retroactive Date: 11/20/2010
10. Based On: 1.00 **Appraiser Naftali Horowitz**
11. Coverage is subject in all respects to the terms, conditions and limitations of the policy issued by Underwriters at Lloyds, unless otherwise specified.
12. This "Proof of Coverage" notice is your formal "Evidence of Insurance" to be used (or copies thereof) to notify banks, and other third parties that such coverage exists.

Date of issuance: November 09, 2010

Kevin M. Ottley

Authorized Representative

PROOF